

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



July 20, 2005

Regulation Package #0205-02

CDSS MANUAL LETTER NO. CCL-05-11

TO: HOLDERS OF THE COMMUNITY CARE LICENSING MANUAL, TITLE 22, DIVISION 6,
CHAPTER 8, RESIDENTIAL CARE FACILITIES FOR THE ELDERLY

Regulation Package #0205-02**Effective 6/15/05****Sections 87224 and 87228**

This manual letter has been posted on the Office of Regulations Development website at http://www.dss.cahwnet.gov/ord/Residentia_635.htm.

The Budget Act for 2004-2005 included changes to the CCL fee structure that increased licensing fees and established new fees. SB 1104 authorizes the Department to collect licensing fees. Current regulations are inconsistent with and superceded by the new statute. Changes are necessary to make the regulations consistent with the amended licensing fee statutes.

These regulations were nonsubstantive; therefore, no public hearing was held.

FILING INSTRUCTIONS

Revisions to all manuals are shown in graphic screen. The attached pages are to be entered in your copy of the Manual of Policies and Procedures. The latest prior manual letter containing Community Care Licensing changes was Manual Letter No. CCL-05-10. The latest prior manual letter containing Residential Care Facilities for the Elderly regulation changes was Manual Letter No. CCL-05-03.

<u>Page(s)</u>	<u>Replace(s) Page(s)</u>
1 and 2	1 and 2
46 through 47.1	46 and 47
54 and 55	54 and 55

Attachments

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87224 LICENSING FEES

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- (a) An applicant or licensee shall be charged fees as specified in Health and Safety Code Section 1569.185.

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Health and Safety Code Section 1569.185 provides:

“(a) An application fee adjusted by facility and capacity shall be charged by the department for the issuance of a license to operate a residential care facility for the elderly. After initial licensure, a fee shall be charged by the department annually on each anniversary of the effective date of the license.

The fees are for the purpose of financing activities specified in this chapter. Fees shall be assessed as follows:

Fee Schedule

Capacity	Initial Application	Annual
1-3	\$375	\$375
4-6	\$750	\$375
7-15	\$1,126	\$563
16-30	\$1,500	\$750
31-49	\$1,876	\$938
50-74	\$2,252	\$1,126
75-100	\$2,628	\$1,314
101-150	\$3,004	\$1,502
151-200	\$3,502	\$1,751
201-250	\$4,000	\$2,000
251-300	\$4,500	\$2,250
301-350	\$5,000	\$2,500
351-400	\$5,500	\$2,750
401-500	\$6,500	\$3,250
501-600	\$7,500	\$3,750
601-700	\$8,500	\$4,250
701+	\$10,000	\$5,000

- (b) (1) In addition to fees set forth in subdivision (a), the department shall charge the following fees:

(A) A fee that represents 50 percent of an established application fee when an existing licensee moves the facility to a new physical address.

(B) A fee that represents 50 percent of the established application fee when a corporate licensee changes who has the authority to select a majority of the board of directors.

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(C) A fee of twenty-five dollars (\$25) when an existing licensee seeks to either increase or decrease the licensed capacity of the facility.

(D) An orientation fee of fifty dollars (\$50) for attendance by any individual at a department-sponsored orientation session.

(E) A probation monitoring fee equal to the annual fee, in addition to the annual fee for that category and capacity for each year a license has been placed on probation as a result of a stipulation or decision and order pursuant to the administrative adjudication procedures of the Administrative Procedure Act (Chapter 4.5 (commencing with Section 11400) and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code).

(F) A late fee that represents an additional 50 percent of the established annual fee when any licensee fails to pay the annual licensing fee on or before the due date as indicated by postmark on the payment.

(G) A fee to cover any costs incurred by the department for processing payments including, but not limited to, bounced check charges, charges for credit and debit transactions, and postage due charges.

(H) A plan of correction fee of two hundred dollars (\$200) when any licensee does not implement a plan of correction on or prior to the date specified in the plan. (2) No local jurisdiction shall impose any business license, fee, or tax for the privilege of operating a facility licensed under this chapter which serves six or fewer persons.

(c) (1) The revenues collected from licensing fees pursuant to this section shall be utilized by the department for the purpose of ensuring the health and safety of all individuals provided care or supervision by licensees and to support the activities of the licensing programs, including, but not limited to, monitoring facilities for compliance with licensing laws and regulations pursuant to this chapter, and other administrative activities in support of the licensing program, when appropriated for these purposes. The revenues collected shall be used in addition to any other funds appropriated in the annual Budget Act in support of the licensing program. (2) The department shall not utilize any portion of these revenues sooner than 30 days after notification in writing of the purpose and use, as approved by the Department of Finance, to the Chairperson of the Joint Legislative Budget Committee, and the chairpersons of the committee in each house that considers appropriations for each fiscal year. The department shall submit a budget change proposal to justify any positions or any other related support costs on an ongoing basis.

(d) A residential care facility for the elderly may use a bona fide business check to pay the license fee required under this section.

(e) The failure of an applicant for licensure or a licensee to pay all applicable and accrued fees and civil penalties shall constitute grounds for denial or forfeiture of a license.”

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87224 **LICENSING FEES (Continued)** **87224**

- (b) The annual fee shall be according to existing licensed capacity unless the licensee requests a lower or higher capacity.
- (c) An additional fee shall be charged when the licensee requests an increase or decrease in capacity as specified in Health and Safety Code Section 1569.185(b)(1)(C).
- (d) When a licensee moves a facility from one location to another, the relocation fee shall be as specified in Health and Safety Code Section 1569.185(b)(1)(A).

<u>Capacity</u>	<u>Relocation</u>
1 - 6	\$ 50
7 - 15	75
16 - 49	100
50 +	125

- (1) To qualify for the relocation fee the following shall apply:
 - (A) The licensee shall have notified the licensing agency before actually relocating the facility.
 - (B) The categorical type of facility shall remain the same when relocating the facility.
 - (C) The fee shall be by requested capacity at the new location.
- (e) The fees shall be nonrefundable.

NOTE: Authority cited: Section 1569.30, Health and Safety Code. Reference: Sections 1569.185 and 1569.19, Health and Safety Code.

87225 **COMMINGLING OF MONEY** **87225**

Money and valuables of residents entrusted to the licensee of one community care facility licensed under a particular license number shall not be commingled with those of another residential care facility for the elderly of a different license number, regardless of joint ownership.

NOTE: Authority cited: Section 1530, Health and Safety Code. Reference: Sections 1501, 1530, 1531, 1560, and 1561, Health and Safety Code.

87226 **BONDING** **87226**

- (a) Each licensee, other than a county, who is entrusted to safeguard resident cash resources, shall file or have on file with the licensing agency a copy of a bond issued by a surety company to the State of California as principal.

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87228 APPLICATION REVIEW (Continued)**87228**

- (2) "Application was denied within the last year" as specified in Health and Safety Code Section 1569.16(b) shall include initial or renewal applications.
- (3) If cessation of review occurs, the application shall be returned to the applicant. It shall be the responsibility of the applicant to request resumption of review as specified in Health and Safety Code Section 1569.16.
- (4) The application fee shall be non-refundable as specified in Section 87224(e).

NOTE: Authority cited: Section 1569.30, Health and Safety Code. Reference: Sections 1569.15, 1569.16, 1569.17, 1569.20, and 1569.205, Health and Safety Code.

87229 CAPACITY**87229**

- (a) A license shall be issued for a specific capacity which shall be the maximum number of residents which can be provided care at any given time. The capacity shall be exclusive of any members of the licensee's own family who reside at the facility. However, the licensing agency shall consider the presence of other family members or other persons who reside in the facility in determining capacity in order to ensure and promote proper living arrangements for both the licensee's family and the residents and to ensure the provision of adequate care and supervision for the residents.
- (b) The number of persons that the facility is licensed to admit shall be determined on the basis of the application review by the licensing agency which shall consider:
 - (1) Physical energy and skills of the licensee as it relates to their ability to meet the needs of the residents.
 - (2) Any other household members who may reside at the facility and their individual needs.
 - (3) Physical features of the facility, such as available living space, which are necessary in order to comply with regulations.
 - (4) Number of available staff to meet the care needs of the residents.

NOTE: Authority cited: Section 1569.30, Health and Safety Code. Reference: Sections 1569.2, 1569.31 and 1569.312, Health and Safety Code.

87230 WITHDRAWAL OF APPLICATION**87230**

- (a) The applicant may withdraw an application. However, unless the licensing agency consents in writing to such withdrawal, the Department or licensing agency shall not be deprived of its authority to institute or continue a proceeding against the applicant for the denial of the license upon any ground provided by law or to enter an order denying the license upon any such ground.
- (b) The fee for processing the application shall be forfeited.
- NOTE: Authority cited: Section 1530, Health and Safety Code. Reference: Sections 1569.185, 1569.20, 1569.22, 1569.30, 1569.50, 1569.51 and 1569.52, Health and Safety Code.

87231 PROVISIONAL LICENSE**87231**

- (a) The licensing agency may issue a provisional license to an applicant who has submitted a completed application for an initial license if the licensing agency determines that there are no life safety risks, that the facility is in substantial compliance, as defined in Section 87101s.(6), with applicable law and regulations, and an immediate need for licensure exists as defined in Section 87101i.(1).
- (1) A provisional license shall not be issued as specified in Health and Safety Code Section 1569.1515(b).

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- (A) Health and Safety Code Section 1569.1515(b) provides:

"(b) The department shall not issue a provisional license or license to any corporate applicant that has a member of the board of directors, the executive director, or an officer who is not eligible for licensure pursuant to Sections 1569.16 and 1569.59."

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- (b) The capacity of a provisional license shall be limited to the number of residents for whom immediate need has been established, or the capacity established for the specific facility, whichever is less.